

PERSIAN GULF SITUATION

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PERSIAN GULF SITUATION

THURSDAY, SEPTEMBER 17, 1981

UNITED STATES SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, D.C.

The committee met, pursuant to notice, at 9:21 a.m., in room 4221, Dirksen Senate Office Building, Hon. Charles H. Percy (chairman of the committee) presiding.

Present: Senators Percy, Hayakawa, Lugar, Mathias, Kassebaum, Boschwitz, Pressler, Pell, Biden, Glenn, Sarbanes, Tsongas, Cranston, and Dodd.

OPENING STATEMENT

The CHAIRMAN. Mr. Secretary, it is a great pleasure to welcome you before the Foreign Relations Committee this morning to present the administration's view on America's strategic interests.

The Secretary will focus his remarks on the region encompassing the nations which lie between Morocco and Pakistan. This is a region of the world that is absolutely vital to our national security interests here in the United States and in the free world. This region is at an historic turning point, and U.S. plans to protect vital Western interests in the region have changed dramatically in the past 3 years.

At the same time, this crucial region suffers from multiple strains. They include: A sense among U.S. friends of encirclement by the Soviet Union due to its increased military capability, its new proximity to the area, its successful use of surrogates, and its willingness to use armed force if necessary to achieve its goals;

The clash between traditional values and modernization that led to revolution in Iran, the Mecca Mosque crisis in Saudi Arabia, religious clashes in Egypt, and other social unrest;

Clashes among the regional states which can be exploited by the Soviets;

And the failure to resolve the Palestinian issue which has isolated Egypt from most of the Arab world, makes most Arabs cautious in their dealings with the United States and radicalizes more of the Arab population as time passes.

Decisions to be made on the AWACS sale to Saudi Arabia could affect the United States ability to influence the course of events in the region and to implement U.S. regional security plans.

While the Secretary's testimony is not directly concerned with the proposed sale of AWACS and the F-15 enhancement package to Saudi Arabia—and he will be before this committee very shortly on that specified issue—he will present undoubtedly the strategic context in which the administration places this sale.

Mr. Secretary, before you begin, I would like to call on the ranking minority member, Senator Pell, for an opening comment.

Senator PELL. Thank you, Mr. Chairman.

Welcome, Mr. Secretary, to our equivalent of the British question hour, as we have it in our country.

My understanding is that you will be discussing not only that broad arc between Morocco and Pakistan, but that you will also be touching on the whole array of American foreign policy. The point I hope you will hit on is the overall course we are going.

I am concerned because I see us increasingly on a collision course with the Soviet Union and not being deflected from that. I see efforts made on the part of the administration to increase the level of rhetoric. There are actions, such as giving arms to China when there is not much evidence of a need for them or of their having asked for them.

I see a vision of the world that is predominantly East-West rather than North-South. It worries me, certainly and, I believe, other people, that this country, if it continues as it is, is like a collision course which you see when you see two vessels moving together, as I saw last week when one vessel was in a collision course with another and ended up demasting it.

I hope you will show me how I am wrong, and I hope you will disillusion me—that is, disillusion me of my worries.

The CHAIRMAN. Thank you, Senator Pell.

Secretary Haig, if you have a statement, we are pleased to have it now.

STATEMENT OF HON. ALEXANDER M. HAIG, JR., SECRETARY OF STATE, ACCOMPANIED BY HON. JAMES BUCKLEY, UNDER SECRETARY OF STATE FOR SECURITY ASSISTANCE, SCIENCE AND TECHNOLOGY

Secretary HAIG. Thank you, Mr. Chairman.

Let me say that I am grateful that I am where I am and you are where you are this morning so that you cannot scoop up my notes.

The CHAIRMAN. That is what I did last night as I introduced the Secretary. I walked off the podium and took his speech with me. I left you on your own up there, Mr. Secretary. [General laughter.]

Senator BIDEN. Did it help, Mr. Secretary?

Secretary HAIG. I think it did. [General laughter.]

Of course, I am always grateful for the opportunity to meet with this important committee. I do have a formal statement, and I would like to proceed through it. It is brief. I hope we will preserve the maximum amount of time for your questions.

This is a welcome opportunity to review our progress in foreign policy during the first 9 months of the Reagan administration. I would like to focus particularly on the Middle East, because we have just met with three of our best friends from that critical region, and I know that the subject is very much on your minds because of the impending debate over arms sales to Saudi Arabia.

That debate is also very much on my mind, because so much is at stake in this upcoming decision. I am deeply conscious of the concerns that have made these proposed sales so controversial.

For our part, the President's decision was not arrived at lightly. What is at stake here is far more than an important improvement

in the military capability of a friendly nation. What is at stake is this Nation's capacity to develop a strategy that can move the peace process forward and protect our vital interests in an unstable area exposed not only to historic Arab-Israeli rivalries but increasingly to threats from the Soviet Union and its proxies.

If we fail to develop such a strategy, the consequences for the United States and its industrialized allies could be substantial. But for our friends in the region—and for Israel, in particular—the consequences are even more significant.

I will say more later about the specific importance of the decision on the Saudi arms sales. But I want to make some broader observations about this administration's foreign policy. That is the purpose for which I asked to come here today. Moreover, the specific issues of arms for Saudi Arabia cannot be judged in isolation from other dimensions of American foreign policy.

When I came before this committee 9 months ago for confirmation hearings, I stated that this administration was elected to office with a mandate for change in American foreign policy. But change, even important and overdue change, must be balanced by the need for consistency. Balancing the need for change with the need for consistency has been a central concern of this administration. That is why we have confirmed the U.S. commitment to the two-track decision agreed to in December 1979 by all NATO allies as the basis for developing the Reagan administration's approach to TNF arms control. That is why we have moved cautiously, despite our known reservations about where the SALT process has brought us—while we review ways to put strategic arms control negotiations on a sounder footing.

And that concern for the consistency of U.S. policy has shaped our thinking on Namibia, on China, on the Middle East peace process, and on many other issues.

There is also another kind of balance that we must maintain, and that is balance among the different elements of our foreign policy. We cannot compensate for the neglect of one essential element by overemphasis on another. Single-purpose solutions to complex problems are often appealing, but seldom correct.

President Reagan's foreign policy is based on such a balanced and comprehensive strategy. The rebuilding of America's economic and military strength, the deepening of cooperation with our friends and allies, the promotion of peaceful progress in the developing countries, and our insistence on a more responsible behavior by the Soviet Union are mutually reinforcing elements of an integrated strategy.

This administration recognizes, for example, that we cannot succeed in combating Cuban subversion in this hemisphere or in Africa unless we address the fundamental conditions that the Cubans exploit. We are doing that in our Caribbean Basin initiative; in our economic assistance to such critical countries as El Salvador, Jamaica, and Zimbabwe; and our efforts to achieve independence for Namibia.

At the same time, our policy recognizes that peaceful progress in the developing world will become impossible if we fail to impose effective restraints on the use of force by Cuba, Libya, and other Soviet proxies.

Nowhere is the maintenance of balance among the different elements of our foreign policy more important than in the Middle East, that complex and unstable region in which we have so many important economic, political, strategic, and even spiritual interests. Let me cite just a few of the developments that challenge the United States today:

The oilfields in the Persian Gulf today, so vital to the United States and our European and Japanese allies, are threatened by the military presence of the Soviet Union and its proxies in Afghanistan, South Yemen, Ethiopia, and Libya;

The new entente between Libya, Ethiopia, and South Yemen—three of the Soviets' closest friends in the area—is only the most recent of many threats to the security of our friends in the region;

The Arab-Israeli dispute divides some of our closest friends;

Iran, which once served as a buffer between the Soviet Union and the Gulf and helped to maintain regional security, is torn by war and violence. The danger to Iran's independence and integrity poses a threat to U.S. security that would make Iran's own wanton assault on international order pale by comparison;

Ancient poverty and sudden wealth, venerable tradition and modern progress, coexist uneasily;

American interests in the Middle East can be protected only by a strategy that neglects neither regional complexities nor the threat of external intervention. As I explained in April during my visits to Cairo, Jerusalem, Amman, and Riyadh, the United States regards the peace process and the effort to counter Soviet and regional threats as mutually reinforcing. If our friends are more secure, they will be more able to take risks for peace. If there is progress in the peace process, security cooperation will be facilitated—cooperation that is essential to deter intervention by the Soviets and their proxies.

We support Israel and Egypt not only as security partners, but as partners in the historic peace process that they themselves began. In his discussions with Prime Minister Begin last week and in his earlier discussion with President Sadat, President Reagan made clear the U.S. interest in the peace process and our commitment to the Camp David accords. A participation of U.S. troops in a Sinai peacekeeping force is one measure of our determination to see peace succeed. Phil Habib's efforts as the President's personal emissary to defuse the crisis in Lebanon constitutes another. We are pleased that Egypt and Israel have agreed to resume the autonomy talks now scheduled to start in Egypt on September 23 and 24.

We welcome the restraint that Israel has shown under difficult circumstances, making it possible for Ambassador Habib to negotiate a cessation of hostilities on the Israeli-Lebanon border. We welcome the good offices provided by Saudi Arabia that facilitated this task. We hope that violence on that front can be avoided. We look forward to rapid movement in the autonomy negotiations, and we shall work diligently to restore stability to Lebanon.

However, even the most rapid possible progress on the Arab-Israeli dispute would not do away with the many other conflicts in the Middle East, such as the Iran-Iraq war, the tension between the two Yemens, or possible anarchy in Iran. And we would not

have removed the threat of intervention by the Soviet Union or its proxies in these conflicts.

Our ability to protect our friends from the insecurities that these conflicts produce will make them bolder in the peace process. It is also essential to protect vital U.S. interests.

Although we are building up U.S. military capabilities so that we can better contribute to the security of the region, the use of U.S. military force can only be considered as a last resort. And to deter major Soviet threats for which the U.S. role is indispensable, we also need the help of our friends, both in the region and outside it whose interests are engaged by the threat to Middle East security.

That is the reason why we are pursuing intensified strategic cooperation with Israel, Egypt, Saudi Arabia, and many other concerned countries. The form and content of our cooperation is different in each case. We are sensitive to both the political and military limitation on the contributions that different countries can usefully make. We are not seeking to construct formal alliances or a massive structure of U.S. bases. We are pursuing a sophisticated strategy, one guided as well by a deep sense of urgency.

Our broad strategic view of the Middle East recognizes the intimate connections between that region and adjacent areas: Afghanistan and South Asia, Northern Africa, and the Horn, and the Mediterranean and the Indian Ocean. We recognize that an instability in Iran or other areas of the region can influence the prospects for peace between Israel and its neighbors.

Success will, therefore, require a very broad effort. We are working with our European allies for a strong Turkey, not only to strengthen the security of NATO's southern flank, but also because Turkey is a strategic bridge between Europe and Southwest Asia. We are assisting Tunisia, the Sudan, and others that are targets of Qadhafi's expansionism. And our renewed cooperation with Pakistan reflects not only our concern over turmoil in Iran and aggression in Afghanistan, but our appreciation of the role a secure Pakistan can play in promoting regional stability.

Our proposals to enhance the security of Saudi Arabia are a key element in our Middle East policy. The proposed arms sales will increase the Saudis' ability to defend themselves against local threats. They will directly assist U.S. forces deployed in the region, just as U.S. AWACS do today, and they demonstrate our commitment to assist the Saudis against even greater dangers.

Our friendship with Saudi Arabia is not based solely on its role as an oil-supplier. Saudi Arabia is proving itself an essential partner in our broader interests. Saudi assistance has been important in the past to states that broke away from the Soviet embrace. Saudi Arabia has provided important assistance to moderate states such as Sudan and Pakistan, and, indeed, more will be required. It has played an essential diplomatic role in negotiating the recent cease-fire in Lebanon. It has played a key leadership role in the newly formed Gulf Cooperation Council. We expect Saudi cooperation in fostering peace and stability to broaden as the Saudis feel themselves more secure.

Security cooperation is not a commodity to be sold or haggled over, it is a process that must be based on mutual confidence and mutual security interests. The question is whether the necessary

basis of cooperation can survive if the seriousness of our commitment to Saudi Arabia's security is compromised. To deny Saudi Arabia this basic means of self-defense is to deny it the sovereign status and respect essential to an enduring partnership.

Some suggest that there can be no security cooperation as long as there are deep divisions on other issues. There is no question that we have differences with Saudi Arabia on the peace process, just as we have differences with Egypt and Israel on other issues. But American diplomacy in the Middle East has long been based on the need to work effectively with countries divided by deep differences.

That is a difficult role to play; but it is the reason that the United States has played a uniquely positive role in the Middle East, a role that has not only served American interests but the interests of the moderate countries in the region and our European and Asian allies as well. It is an approach that emphasizes common concerns and seeks remedies to common problems.

Our approach to Saudi Arabia has been shaped by the profound insecurity caused by events in the last 5 years, particularly the fall of the Shah. It has been influenced by discussions conducted by the previous administration with the Saudis and by previous U.S. actions, including the deployment of AWACS aircraft to Saudi Arabia during the Yemen crisis of 1979 and again during the Iran-Iraq war.

Our approach has also been shaped, however, by an appreciation of Israeli concerns over the proposed Saudi package. We are taking steps to alleviate these concerns. We are determined to maintain the qualitative edge that is vital to Israel's security. A stable regional balance, moreover, enhances deterrence against Soviet moves.

Our discussions last week with Prime Minister Begin enhanced each side's understanding of the other's position on this and other issues. We are wholeheartedly and permanently committed to the security of Israel. Without a strong Israel, our hope to improve the prospects for peace and security in the region cannot be fulfilled. A secure Saudi Arabia and a strong United States-Saudi relationship are central to these same tasks.

We must not let our friends' worries about one another diminish our commitment to their security or hinder our plans to extend strategic cooperation with them. We are taking steps to assure that Israeli concerns are met, just as we are seeking to assure moderate Arab nations that our developing strategic cooperation with Israel is directed against Soviet intervention and not against the Arabs. But unless we are able to work effectively with all of our friends in the region, our security, the security of Israel, and peace itself will be endangered.

Mr. Chairman, I could not overemphasize that last statement. Given the current dynamics of the peace process and the critical situation in Lebanon, these are what are at stake.

The CHAIRMAN. Thank you, Mr. Secretary.

I would like to say to members of the committee that in a letter I sent to each of you yesterday our requests on behalf of the committee that an AWACS be made available for inspection by Senators

has been granted. The AWACS will be at Andrews Air Force Base from September 21 to September 23.

I would urge all Members to take advantage of this opportunity to see it for themselves and study the system that will be under such intensive discussion. As I said in my letter, scheduling for it will be done by the Defense Department.

Mr. Secretary, I understand that a Cabinet meeting has been called for 11:30, so you would have to leave here by 11:15. We will this morning observe the 5-minute rule, but I think we may be able to have two rounds, or we will adjust the time at the end of the first round.

ALLEVIATE ISRAEL'S CONCERNS

I would like to pick up with your last few words, in which you say, "We are taking steps to alleviate Israel's concerns about the proposed Saudi package." What steps are being taken that you can tell us about?

Secretary HAIG. Mr. Chairman, there are a number of steps which involve not only Israeli capabilities in the intelligence and the military fields but more importantly, which involve agreed-upon transfer arrangements for the aerial equipment in question. It is these arrangements which I believe satisfy adequately basic U.S. needs.

They cover issues such as limits on the transfer of equipment and data to third parties. They involve U.S. access to data generated by the Saudi AWACS system. They involve physical security of equipment and technology. And they involve the area of operations of the Saudi-controlled AWACS.

Now, these arrangements will be discussed in detail with each of our Senate Members in a confidential fora, and there will be three teams from the administration moving through the halls to do precisely that. I will be prepared to discuss in greater detail these arrangements later this month in closed session before this committee.

But between now and then, I think it is important that we limit discussion of the arrangements to the broad considerations that I have outlined. We consider them to be extremely significant.

The CHAIRMAN. I have, for the benefit of the committee members, arranged with the Secretary last night, because of the desirability of having as much information available as soon as possible, to begin our first AWACS hearing on October 1. The Secretary has indicated he will be prepared to come to the committee as soon as possible, which might be as early as September 28.

We will keep committee members advised and check with your schedules. We will try to advance that date as much as we can. As much as possible of that hearing, we have agreed, will be in open session. But if it is necessary to discuss classified information, we will, of course, arrange for a closed session.

EXPAND STRATEGIC COOPERATION

Mr. Secretary, if the basis, as you have stated, of the Reagan administration strategy in the Middle East and the Persian Gulf region is to expand strategic cooperation with key nations that are

concerned about the Soviet threat, what would be the impact of a rejection of the Saudi Arabian arms sales package on the administration's attempts to expand strategic cooperation with Saudi Arabia, Pakistan, Oman, and Egypt, as well as Israel?

Secretary HAIG. Mr. Chairman, I believe the consequences could be profound. I think the only way this issue can be properly dealt with is in its broader strategic framework. We were historically seized with the problem of the peace process itself, and the Camp David accords and the stagnation that developed among the parties on the autonomy question.

The strategic situation has changed since the days of Camp David, and it has been aggravated and complicated by a host of strategic events: the fall of the Shah of Iran, the Iran-Iraq conflict, the exploitation of the Cuban presence in Ethiopia and Southern Yemen, the efforts to overthrow Northern Yemen, the Soviet invasion of Afghanistan and the threat which that poses to the region.

All of this had contributed to what I referred to last spring as an emerging strategic consensus. I will admit that there was some skepticism at the time that here was another "made in America" term designed to meet U.S. interests. It was never posed as that; rather it was an expression of an emerging reality, where, not only were we faced with continuing Arab-Israeli rivalries, but a new set of concerns that involved all sovereign states in the region with respect to increasing Soviet bellicosity and direct or indirect interventionism.

It was the reality of that consensus which contributed fundamentally to Phil Habib's peace effort in the early period of the crisis in Lebanon, where we were faced with the installation of Syrian missiles in the Bekka Valley and with the movement of Syrian forces to threaten the Christian heartland of Lebanon.

It was that process and the work and the cooperation of the Government of Saudi Arabia, its leadership and diplomacy and its commitment of resources, which enabled us to make some progress on resolving that vexing problem which was perhaps only hours away from open conflict.

That process was then tremendously complicated by the Israeli attack on the Iraqi reactor and the subsequent escalation of violence between the PLO and Israel along Israel's northern border.

Had it not been for that consensus, the efforts made earlier by Mr. Habib would have been shattered by these subsequent events. But again, through the cooperation and goodwill of Saudi Arabia and certain leading members of the Arab League, Kuwait, the Government of Lebanon, Syria, and the Secretary General of the Arab League, together with the absolutely essential cooperation of the Government of Israel, we were able again to have a cessation in hostilities—which still holds in a very fragile way today.

Beyond that, we have seen in the visits of the two leaders of Israel and Egypt, a new impetus toward the successful resolution to the long-stalled autonomy talks. Indeed, they are scheduled to meet later this month in Cairo, with the United States participating as a full partner, hoping for a successful outcome before the relinquishment of the Sinai by Israel to Egypt.

All of these issues have become intimately interrelated. The danger of conflict in Lebanon today is extremely acute. And the

essential goodwill and the continuing cooperation of Saudi Arabia in this question of war and peace is profoundly important to the overall peace and stability that we are seeking, not only in Lebanon but in the peace process itself.

These are the stakes. And I think it is vitally important that, when we discuss this enhancement package for Saudi Arabia, we understand that the leaders of Saudi Arabia are not driven by the assets of this system, because those assets are available elsewhere. What they are driven by is a perception of whether or not an American President can conduct his foreign policy in accordance with strategic interests and the peace and stability with strategic interests and the peace and stability we are seeking in the entire region. I think that is the question at stake on the debate which we are launching at this time.

I think it is fundamentally important that the American Congress back an American President in the conduct of his foreign affairs. The costs of failing to do so could be immense and unpredictable.

The CHAIRMAN. Thank you, Mr. Secretary.

Senator Pell.

Senator PELL. Thank you, Mr. Chairman.

I have four questions, and I hope to get through them in my brief period.

THE PALESTINIAN PROBLEM

First, does it worry you at all that our emphasis on the strategic considerations of this part of the world may divert attention from the Palestinian problem and from the settlements problem? This worry is partly caused by the fact that we understand, at least as of the time when Prime Minister Begin had lunch with us, that the question of the settlements and the Palestinian problem had not been raised in the conversation between the President and Mr. Begin; is that correct, sir?

Secretary HAIG. No, it is not correct.

Senator PELL. Good.

Secretary HAIG. I think it is important. And I spoke to Prime Minister Begin about this because I know some left the session with him with the impression that these issues were not discussed. That was not the case at all. You will recall he was here on Thursday. On Friday morning we had an extensive 2½ hour discussion, in which I represented the President, in which the autonomy talks, the Palestinian question, and the whole peace process were very thoroughly discussed.

I think this is just a question of nuance. President Reagan himself raised these questions with the Prime Minister, recognizing that we would have a detailed session Friday morning on these subjects.

Senator PELL. Thank you very much.

SOUTHEAST ASIAN REFUGEES

This is somewhat off the subject, but of great interest to my part of the country. We have in my State a substantial number of Southeast Asian refugees, and of those, a huge number of H'mong from Laos. They are very interested in the question of chemical

substances, particularly mycotoxins, that have been reported to have been used in Laos as well as in Cambodia.

I was wondering if you could tell me how firm the evidence is that the Soviets used it and what will be done about it. Will we try to bring them before the bar of public opinion at the U.N. or the ICJ [International Court of Justice]? What do we intend to do about it?

Secretary HAIG. Senator Pell, we are very convinced in the validity of the evidence that mycotoxins were employed. The interconnection between their employment and direct Soviet involvement is somewhat less clear. However, the impelling logic of the availability of such a capability to the nations of the regions in which it was employed clearly is a very important factor that cannot be overlooked.

As you know, we are going to provide all of the data that we have accumulated to the appropriate organization in the United Nations that was appointed by the Secretary General of the United Nations, I believe, some 2 years ago, as a result of persistent media reports on this issue from refugees and others not only in Laos and Kampuchea but in Afghanistan as well. All of these factors will have to be very carefully investigated now, and be reinforced by the new data that we are providing.

Senator PELL. Were they used specifically against the H'mong? Because those are the people who are especially concerned in my State.

Secretary HAIG. I would have to defer on that.

Mr. BUCKLEY. Yes; they were.

Secretary HAIG. Yes; they were specifically.

Senator PELL. What do we intend to do about it? Do we intend to go to the ICJ or to the U.N. on this, or not?

Secretary HAIG. To the United Nations. We are in the process of providing that information to the Secretary General's special committee which is investigating this subject.

Senator PELL. Thank you.

LAW OF THE SEA

Last month I attended the Law of the Sea session in Geneva, and our delegation is determining the negotiability of changes denied by the administration in the draft treaty. Will you be able to ascertain which issues will be negotiable and whether the administration will continue to participate in the conference, whose next session will be held next March in New York; or what will be the attitude of the administration, in your view?

Secretary HAIG. Well, first, Senator, let me assure you that the United States does intend to continue to participate fully in this conference, with the clear objective of bringing it to a successful conclusion.

However, there are a number of vexing questions in regard to the seabed mining provisions of the draft treaty which were discussed at this last session, which we have been in the process of clarifying. These are reservations that are held by serious, well-meaning people, not only by elements of U.S. industry and representatives here in the Congress who will be involved in the ratifica-

tion process, but also by a number of our allies who are participants in the conference.

We have had a very beneficial session of the conference from our point of view, and we are now in the process of analyzing the results and putting together for the President's final review and consideration those areas in which we feel changes are necessary.

We had, I think, a very rational and intelligent exchange in Geneva and now have a very good fix on the limits of possibility and desirability, and the trade-offs and risks associated with the position we will present. And I am optimistic, though I recognize the complexity of the negotiations, that we will succeed.

Senator PELL. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Pell.

Senator LUGAR.

Senator LUGAR. Thank you, Mr. Chairman.

OBTAIN BASES IN THE MIDDLE EAST

Mr. Secretary, in trying to evaluate what we ought to be doing in the Middle East, why would not the best course of action for us be simply to obtain bases in the Middle East from which we can deploy our forces and protect everybody involved?

Clearly, from statements you have made today and previously, the countries of the Middle East rely upon us for protection. We believe that the Persian Gulf is vital to us. Why not have simply a straightforward approach in which we approach nations of the Middle East and say, "It is in our best interest and yours to have bases on which we can land aircraft and land troops," and not go through all the machinations of a complex rapid deployment force that may or may not get there and all these sorts of quid pro quos and litmus tests?

What restrains us simply from saying, "Bases are what we want and we believe you need and we would like to talk on a different level?"

Secretary HAIG. Were it that life were so simple, Senator. [General laughter.]

I think historically we recognize that at the end of the Second World War the United States did maintain a rather extensive complex of bases in the region. Subsequent events, the emerging issues of nationality and sovereignty, the departures of the colonial mantle and the sensitivity that that involves to the sovereign leaders of a number of nations who have their own constituencies to influence and to manage effectively, make that kind of solution unrealistic in its broadest sense.

I am not so sure, either, that the American people are particularly anxious to have the United States alone bear the burden of Western security or what I call "shared security."

Some years ago, as a result of a number of unfortunate experiences, Vietnam perhaps being the most important, Americans came to expect our friends to share, to bear the burden. The question comes up with regard to Israel. Some refer to Israel as a strategic ally of the United States. Well, no Israeli accepts that, because Israel has been a bulwark against Soviet threats alone without the United States throughout an extended period.

The same expectations apply to Egypt and Saudi Arabia or any other sovereign nation in the region. These are proud people, and America cannot succeed any longer in just extending our presence around the world, even if we had the resources and the will to do so here at home—which we do not.

Therefore, it is a complex mosaic of interrelationships, or broadening and strengthening confidences in which we can use the great resources of the local nationalities and governments to stand with us as partners against a common threat.

That is the process we have to work in, and unfortunately it is not simple.

JOINT VENTURE PREFERABLE

Senator LUGAR. Let me describe the situation in a little different way. Let us ask in the case of Saudi Arabia, given all of the suggestions you have made about the importance of national pride why would it not be in the best interest of Saudi Arabia for the United States to operate AWACS aircraft and to provide perfectly adequate air defense throughout the Middle East in cooperation with the Saudis, but nevertheless from bases that they and we maintain, maybe with aircraft that we own and operate jointly?

In other words, it seems to me that a good part of our predicament now comes from the fact that we are so conscious of the sensitivity and the pride of the Saudis, which certainly is there and is important for you as a diplomat to recognize. But I suppose I can be bold enough to suggest that it is very much in the interest of Saudi Arabia to be protected against everybody. And why would not a joint venture be preferable to another way?

Secretary HAIG. In the broader sense let me assure you that the cooperation and coordination with the Government of Saudi Arabia in the instances I have already cited have been extremely important. But it is also important that we understand that Saudi Arabia has other options for these equipments if the Saudis feel compelled to go to these other options.

The real question here is a sense of compatibility of influence, a role for Saudi Arabia which gives a proper role to its sovereignty and which is not just an extension of the American presence in the region. We benefit from the independence and the sovereignty of Saudi Arabia just as we do from the independence and sovereignty of the State of Israel.

You will recall that when Prime Minister Begin was here he repeatedly made the point that we are not talking about a strategic relationship with the United States designed to have the United States come in and defend Israel. We will take care of this.

And it is the same propelling nationalist conviction that exists in Saudi Arabia and in Egypt where President Sadat has vigorously rejected the provision of bases for American forces. He said I will make facilities available, but not bases. We are past that stage historically and I think it is important that we not overlook that reality.

Senator LUGAR. Thank you very much.

The CHAIRMAN. Thank you. Senator Biden?

Senator BIDEN. Thank you, Mr. Chairman. It is good to see you, Mr. Secretary.

There are so many things I would like to ask you. I know I am going to get a chance to go at this again. I would like to ask you about why you made certain comments in Berlin. By the way, I would like to compliment you on what you cannot acknowledge properly, but on what was reported to me as your vigorous opposition to the announcement about the neutron weapon being announced when it was. I think it is likely to upset the whole thing in Europe, but that's another question.

There are so many things that I want to talk to you about, but let me focus in the 4½ minutes that I have left on the issue of Saudi Arabia and the AWACS.

STRATEGIC CONSENSUS IN REGION

You make a very compelling and articulate case and it seems to me that it is based upon the administration's view of the strategic consensus in the region and what is needed for that strategic consensus.

My understanding is, when I speak to and through and get information from the various representatives of the heads of state of the Gulf states, that the idea that the Russians are coming isn't something about which they are predominantly concerned. They know, for example, as said to me by the Saudis, if they are coming you guys are going to have to stop them. We can't, nobody in the region can. But nobody thinks that they are going to have much impact if the Russians are coming.

So when we start looking at the AWACS, and I am equally concerned, I might add, about the AIM-9L missile, as our boys in the Air Force say, the shoot-them-in-the-face missile. I am concerned about the F-15 enhancement package, which I think is equally significant.

As we add all the strategic consensus up it seems as though we're deciding that we have to sell this material to Saudi Arabia to protect them against Yemen, Iran, Iraq, and Syria. That's what it's all about. It's not about Russia and they say it's not about Israel. Everybody says that's not an issue, because, you know, this has nothing to do with Israel.

And so the only ones we're looking at are those folks and I assume we're protecting basically their oilfields, allowing them to protect their oilfields. And that's in the U.S. interest and in European interest.

Now my question is this: I'm not aware of any responsible military analyst, and I consider you that, even though you are the Secretary of State, who believes that these planes will eliminate the vulnerability to the oilfields. Right now two-thirds of the Persian Gulf oil is exported through three ports, controlled by eight vulnerable pump stations, and just one plane or one missile-carrying patrol boat or one saboteur could do the damage that we all worry about.

Now supporters of the sale claim the AWACS will give the Saudis a minimum of 7 minutes warning time to counter an attack and I'm not sure I'm willing to bet that they'd be able to stay on that kind of an alert.

My question is this: Who are we helping the Saudis protect themselves against?

SOVIET INTERVENTION

Secretary HAIG. I think that's a very important question, Senator, and I share your skepticism about the ability of any nation in the region to stand up alone to Soviet intervention of the direct kind such as we saw in Afghanistan. It is a direct measure of the degree of power the Soviet Union cares to apply to the case. It could be clearly overwhelming and well beyond the capabilities of any nation in the region.

But this is the subtlety of the problem. What they are concerned about and what we are concerned about is—the employment of proxies at the sufferance of the Soviet Union to achieve Soviet imperialist objectives.

Senator BIDEN. Who will the proxies be and where will they come from?

Secretary HAIG. Well, clearly I don't have to overemphasize that we have seen the proxies at work. Saudi Arabia has already been wrenched by the effort from South Yemen, supported by Cuba, Ethiopia, and the Soviet Union, to overrun Northern Yemen.

Senator BIDEN. Will AWACS help that at all?

Secretary HAIG. Of course.

Senator BIDEN. How?

Secretary HAIG. These aircraft will give indications of an impending attack.

Senator BIDEN. Well, the Yemeni Air Force is not much of an air force. Isn't the threat going to come though those million Yemeni and 50,000 Palestinians who work in the oilfields and elsewhere, who might blow them up if the Saudis are bad boys?

You know, I once had a friend who loved motorcycles—true story and I think it's analogous here; it's a little bit of a homely analogy, but it's analogous—who loved motorcycles, but had the coordination of a turnip. And I had a big 600cc bike he wanted to buy very, very badly—a close friend. And I thought it made no sense in spite of his sense of sovereignty, to sell him a 600cc motorcycle he didn't know how to ride, that he'd probably kill himself on.

And since my time is up, I respectfully suggest that giving the Saudis the AWACS and the F-15 puts them in a position whereby, unlike before when there was a Middle East war, they said, "Fellows, we send you our love and our hope and our good wishes and our money." They're not going to be able to do that any more, because those Palestinian folks are going to say, "Hey, Jack, you got yourself a nice big offensive airplane and a fleet of them, and you got yourself an AWACS. You can help us coordinate an attack.

"And if you don't send them all in, you're going to be in trouble. We'll blow your oilfields up." And then the Israelis will do just what the Defense Minister said to us. He said, "Senator, soon as they fly we'll shoot them down." And they're going to shoot Americans in those planes, possibly. They're going to shoot down an American plane. And that, to me, is just preposterous. But you and I are going to get to debate.

I don't want you to be cut off in responding, but they cut me off, as they should, and I'm going to get a chance to make this right.

Secretary HAIG. That's a welcome knife, Senator. [Laughter.]

It gives me an opportunity to address some of the issues that you've raised.

Senator BIDEN. Please do, I'd like to hear them.

SOUTH YEMEN THREAT

Secretary HAIG. First, let me assure you South Yemen is a threat.

Senator BIDEN. I agree it's a threat.

Secretary HAIG. It is armed with Mig-19's and Mig-21's and as soon as it gets Mig-23's, which it will get soon, the oilfields of Saudi Arabia become immediately vulnerable to an attack from South Yemen.

Senator BIDEN. Hawkeye could take care of that, couldn't it—the E-2C Hawkeye?

Secretary HAIG. I suppose it could. It is an equally sophisticated system to which your arguments would be applicable and, I think, equally answerable.

Now let me tell you also that we're not talking about a Palestinian threat to Saudi Arabia. One of the great concerns of many people is the close proximity and influence on Saudi Arabia of the Palestinian movement. Our problem in Saudi Arabia involves something far different. It's Soviet proxy activity. It's perhaps the Khomeini-type influence whereby an Islamic revolution is brought in and plotted against them. It is the new tripartite entente between Ethiopia, South Yemen, and Libya which I mentioned in my opening statement.

One need only assess the military armaments that have been sunk into Libya today to understand the grievous threat not only to the North African peripheral but to Saudi Arabia as well. It is precisely that entente which is targeted on Egypt and on Saudi Arabia today.

And, incidentally, I think you know that under an earlier administration one of the first steps taken at the time of the South Yemen attack on North Yemen was the provision of AWACS capability to Saudi Arabia, a step that was taken in consideration of the contribution it would make.

Senator BIDEN. Do you recall my dislike for this policy? It was not applied in a partisan way.

Secretary HAIG. I understand, Senator.

The CHAIRMAN. Senator Kassebaum?

FACILITY ACCESS AND PREPOSITIONING OF EQUIPMENT

Senator KASSEBAUM. Mr. Secretary, I'd like to follow on just briefly first on Senator Lugar's question. One of the major components of the Carter administration strategy for the Persian Gulf was the establishment of facility access and prepositioning of equipment, military equipment, in Oman, Somalia, and Kenya. Do you believe this is important and are you continuing to work with the host countries for the establishment of those bases?

Secretary HAIG. Yes; we do, Senator. And that involves facilities offered by President Sadat in Egypt as well. All of these things are constrained by the kinds of expenditures associated with improving the facilities, and I use that term very specifically, as distinct from bases.

And all of these things are a direct measure of the kinds of assessment that is now going on in the Pentagon with respect to available funds. The particular enhancement of the facility itself would provide for the kinds of threats that we are dealing with today.

Senator KASSEBAUM. Do you give that a top priority as part of your strategy?

Secretary HAIG. I give it very important consideration. Now it may be that one location or another will become increasingly important as our studies are refined.

Senator KASSEBAUM. I'd like to go back now to the AWACS for a minute.

Can you share any conversations with us that you might have had when you were in Europe last week regarding the sale of the AWACS? Can you share those conversations with us? Was the response of those you visited favorable or neutral?

Secretary HAIG. In general all were concerned that the President of the United States might again be confronted with a situation in which his foreign policy and his international credibility would be challenged by the American Congress. They are concerned about it.

Senator KASSEBAUM. If any of the leaders were opposed was this an overriding concern to their opposition to the sale of the AWACS?

Secretary HAIG. I found no opposition with any of the European officials I spoke to about the proposal.

I found that the hope runs very, very strong in Europe that we have passed through that period where the executive and the legislative branches cannot work out their differences together and insure a unified, effective American foreign policy.

DIVISION OF LABOR

Senator KASSEBAUM. Chancellor Schmidt has in the past, I believe, used the expression "division of labor" regarding the NATO nations' involvement in the Persian Gulf. Would you view the AWACS as part of this "division of labor" analogy?

Secretary HAIG. Senator, I think, that any problem, which might involve the extension of West German contributions outside the NATO region is a very, very difficult political problem for West Germany and one which would not occur.

Now with respect to what we are doing in the Middle East, including the AWACS, it is very clear that we are also clearly serving the vital interest of Western Europe, which is extremely and far more dependent on Saudi-based oil than is the United States, but they're constrained from acting.

Senator KASSEBAUM. What would your thoughts be regarding even greater support from our NATO allies, particularly West Germany, if we chose some steps in moving ahead on the arms control negotiations with the Soviets as well as any proposals on theater nuclear forces?

Secretary HAIG. I think our European friends are very concerned about the nuclear issue in particular and American-Soviet relations in general. They are very anxious that we are perceived to be trying in the arms control area. Of course their perspectives are somewhat different than ours, as has always been the case, and

that is something we should welcome. I must say I don't think that's a unique set of concerns. It's just somewhat more tense. There's been a lot of talk about European neutralism, European pacificism. I don't see signs of that in Western Europe today.

NUCLEAR CONCERNS

I do see signs of an intense concern about the nuclear question. There has been a merger of the parties concerned about the peaceful uses of nuclear energy and other environmental threats with those who have been traditionally concerned about nuclear conflict and nuclear weaponry.

There has been a perversion of the classic European concern that the United States would never trade Washington for Hamburg. Now that has been distorted and perverted by subsequent events into a concern that the United States will not risk anything and that the nuclear battlefield of the future will be confined to Western Europe. And so some very serious people are very anxious that we get on with the arms control effort and we intend to do so.

Senator KASSEBAUM. So you are anticipating doing that this fall, is that not right?

Secretary HAIG. Yes; I will discuss the subject with Foreign Minister Gromyko next week in New York. I hope at that time to be able to agree upon and fix a specific venue and a precise starting date for these talks, which in any event we are prepared to launch before the end of this year.

Senator KASSEBAUM. Thank you, Mr. Secretary.

The CHAIRMAN. Thank you, Senator Kassebaum.

Senator Glenn?

Senator GLENN. Thank you, Mr. Chairman.

OVERSTATING AWACS CAPABILITY

First I would like to make a statement. I think I would quarrel with you that the Hawkeye, the E-2C, is equally sophisticated. I don't think it is as sophisticated and capable as the AWACS, as you stated just a few minutes ago.

Secretary HAIG. I think in the general sense of the concerns expressed by Senator Biden it could be equal.

Senator GLENN. But to say that it's the same kind of an airplane as the AWACS, as fully capable, I think, would be overstating it.

Secretary HAIG. Well, it's smaller, has a much reduced loiter time.

Senator GLENN. It has much less capability. I wanted to correct that first.

Secretary HAIG. Yes.

Senator GLENN. The outright sale of the AWACS to anyone I don't find acceptable. I am against an outright sale. We do not even sell the AWACS outright to NATO. We're part of that command structure and so we know what the use of that airplane is going to be. It is the world's most sophisticated piece of flying electronic equipment and so even to NATO or any of our other allies I would not propose an outright sale of the AWACS.

The joint surveillance capability of the Persian Gulf is not only in the interests of the Saudis. It's in the interests of the United

States. We want to keep that capability because if any combat does start in the Persian Gulf, with our fleet there, we're going to be involved. We want every bit of equipment there to be usable. And we need surveillance of the Persian Gulf to know what is going on.

It's also in Israel's interest that we know what's going on in the Persian Gulf. What I would propose is, to get around the dilemma we're in, a half-way step, a compromise. Why can't we propose that we cut the price to the Saudis by half and we remain as No. 2, as quid pro quo, part of a joint command structure on how that airplane is going to be used?

I would add another thing to it. This would be a fully capable AWACS, not the downrated version that we're proposing to sell. The downrated version, to me, makes no sense whatsoever because if combat starts in that area the first thing that happens is that the up-down links to that airplane, that are secure, with all the coding, and that we're going to take away, as I understand it, in the version that will be sold, the first thing that happens is anybody that knows anything about jamming jams those and that airplane might just as well be a twin-engine Beechcraft flying around up there or a big, fancy-looking transport with a funny-looking radar antenna on top. It's going to be just about as useful as a plain old transport airplane when combat starts if we downrate it, because those up-down links can be jammed by anybody that knows anything about jamming.

Now I think if we proceeded along the lines I have suggested it would let the Soviets know, it would let Iran know, that we're staying involved. It would let them know that if we are part of that command structure it cannot be misused against Israel. It would let Israel know that that airplane cannot be used as a threat against them.

WHAT GIVES BEST PROTECTION TO THE PERSIAN GULF?

The only con on the other side is the one the President gave us the other day at the White House. It was Saudi national pride and prestige. I appreciate that's a big factor and I don't blame them for having some sensitivities in this regard. But we have larger interests and the Saudis have larger interests. And what we have to be concerned about, the important thing, is the final answer. What gives the best protection to the most critical area of the world, the Persian Gulf?

Twenty percent of our oil comes from there. Fifty percent of Europe's oil comes from there. Seventy-five percent of Japan's oil comes from there, through the Strait of Hormuz. And of those percentages somewhere over 60 percent is supplied by the Saudis. So it's the most important area to the industrial free world.

If we went this route I think you could sell this on the Senate floor in 10 minutes and I'd be glad to help you lead the charge over here. It would show our resolve, which you are the very epitome of, our resolve and nonhesitancy to get involved in critical areas of the world that you, in person, as the Secretary of State are involved with. It shows our resolve to be committed to an area that we see as the industrial lifeline of the free world until we get some alternative energy sources worked out and on stream, which will take at least 10 to 15 years.

It lets us work closely with the Saudis and that's extremely important because if we're ever going to have peace in the Mideast and a real peace settlement it seems to me it's going to come because we expand on some of these indications that the Saudis, perhaps, are less strident in their opposition to Egypt now than they've been in the past, that we may have some steps forward.

They did help Phil Habib in some of his efforts over there. That was very heartening. And if we're going to get peace in the Mideast it's going to come because the Saudis, probably, joined Egypt in seeing that that's in the long-term best interests of that area, and that can come as we help expand on a basis of working with them on AWACS.

LIMITED VALUE OF HARDLINE APPROACH

If we take the other tack and just insist, on this hardline approach, that we're going to sell AWACS, even a downrated AWACS, that will be of very limited value to the Saudis, I think they should know this. It'll be of very limited value to them if combat really starts.

But let's give a real capability, that we are involved with. It keeps us working with the Saudis. To go otherwise and come up here and risk a very probable defeat in the U.S. Senate really sets our relations back immeasurably. It makes the Saudis angry, and I wouldn't blame them for being angry. It means that we probably don't move forward with their cooperation in the Mideast peace talks. And I just don't see any——

Secretary HAIG. Which means we probably don't move forward.

Senator GLENN. Which means we don't move forward unless we move forward with their cooperation. And it seems to me that in the overall interest of us being involved in that most vital area of the world, I don't want our own carrier forces launching aircraft coming up the gulf with an AWACS that just got blocked out and no information coming from it because the downlinks weren't there.

We say well, we'll put those back in. Well, that's going to do us blessed little good after the attack occurred, even if those boxes can go back in in a few hours. It just seems to me that everything points to a cooperative relationship. I would be very happy to propose that we price the thing down to half-price, we share the expense with them, but we also share that command structure and the use of secure information that's really usable when combat really starts.

That doesn't leave much time for questions. My time is already over, but that's my views on it.

Secretary HAIG. Senator, I take your comments very seriously because they are very thoughtful and they are premised on a very sound set of judgments on your part.

On the other hand, I think if you analyze carefully the transfer arrangements, which have been agreed to, and which we will share with you, if you recognize that the capabilities which will not be provided can be provided in a matter of hours, if in our judgment it is necessary.

Senator GLENN. If an attack starts, though, Mr. Secretary, we're going to have to say now wait a minute. We need a couple hours

grace time to put the black boxes in and check them out. How do you do that?

Secretary HAIG. That's not an insurmountable problem in any way. Incidentally, I think that when most people talk about provision of five aircraft, they assume that they're always in a constant loiter; we're talking about one aircraft in loiter.

Senator GLENN. But your argument doesn't hold water, Mr. Secretary, in that we're talking about the need for the AWACS to reduce just minutes of time on this attack coming across the Persian Gulf.

Secretary HAIG. And it will do that.

JOINT COMMAND CRUCIAL

Senator GLENN. But it's not going to do that if they jam it, unless it has the secure up-down links that enable us to do something about that incoming attack. So I just think joint command and a fully capable AWACS is crucial.

Secretary HAIG. Again I ask you to consider very carefully these transfer arrangements, which are about the limit. And, incidentally, there have been two administrations involved in these discussions for an extended period.

Senator GLENN. That doesn't answer the question.

Secretary HAIG. No; it does answer the question because these discussions have been held with our Saudi friends over an extended period. It's very easy to sit up here and draw a theological template which we must assume would be accepted by another sovereign party. Well, that's what foreign affairs is all about. Unfortunately what you're offering is not a practical solution. That's the bottom line of the issue.

Senator GLENN. Well, have we tried this?

Secretary HAIG. And that doesn't mean that I contest the bulk of the observations you've made. Sure that would be preferable and easier from our point of view.

Senator GLENN. Have we actually proposed this?

Secretary HAIG. Let me suggest to you there have been a number of proposals made without divulging their character in public session.

The CHAIRMAN. Senator, we will have a session on AWACS in 10 days and I think out of consideration of the other members we ought to terminate this.

Secretary HAIG. The basic point I do want to make is that for the kind of threat we are talking about, this system will be adequate, given the capabilities of the threatening nations we are concerned about.

The CHAIRMAN. Senator Hayakawa.

Senator GLENN. We've discussed this threat—the Soviets, the Iranians, everybody else. You're talking about the really big threat that we have talked about, Mr. Secretary. The downrated airplane won't hack it. The Saudis should know that.

Secretary HAIG. The downgraded airplane will hack it against the threats we are talking about. We have the capability of enhancing it if we are faced with a larger threat.

The CHAIRMAN. Senator Hayakawa.

Senator HAYAKAWA. Thank you, Mr. Chairman.

Concerned as I am about the AWACS sale to Saudi Arabia, I want to see this in the context of the rest of the world. As you may be aware, I have recently returned from a trip to Southeast Asia and this trip followed hearings before the East Asia and Pacific Subcommittee of the Foreign Relations Committee. And we heard much testimony on U.S. relations with ASEAN.

There was agreement during this testimony that ASEAN was of increasing importance to the United States because of its strategic location and vast resources and its developing economic potential.

Now my personal observations in Southeast Asia confirmed this assessment. I was impressed by the rapid strides being made in economic development by the dynamic leadership of the ASEAN nations. I was also heartened by the fact that while newspapers in the United States were running columns saying that President Reagan has no foreign policy, in every one of the ASEAN nations, plus Hong Kong, they rejoiced in the fact that now there was a stronger foreign policy under the Reagan administration.

Secretary HAIG. I find that same attitude in Western Europe and in even Eastern Europe, Senator.

Senator HAYAKAWA. Well, I suppose that foreign policy is more visible from outside our boundaries. It doesn't seem to be visible from New York or Washington.

Secretary HAIG. Or Pennsylvania Avenue.

ASEAN NATIONS LOOKING TO US FOR LEADERSHIP

Senator HAYAKAWA. Yes. Well, my personal observation there was that the ASEAN nations were looking to us for leadership. And I believe we must not disappoint them. But if we're going to make ASEAN the focal point of our foreign policy in Southeast Asia it's obviously imperative that we consult closely with them and coordinate our approaches with theirs and treat them as real friends and partners in our quest for world peace and economic stability and growth in the whole area.

I know you share this view because you attended the July conference at the United Nations on Kampuchea and earlier you met with ASEAN leaders in Manila. But there are a couple of points at which the views expressed among the ASEAN nations differ from our own and I think that it is worthwhile to discuss those differences with them.

For example, some leaders have grave reservations about our plans to sell arms to the People's Republic of China. As you know, some of these countries have historic reasons to fear Chinese expansion and some have been fighting insurgencies led by Chinese living in those countries and supported by arms and propaganda from China. Malaysia has had a long history of this.

And to them, China is more to be feared in the long run than Vietnam. While ASEAN agrees with the United States that Vietnam must withdraw its forces and puppet regime from Kampuchea they are also reluctant to follow any policy which would allow the Khmer Rouge to prevail. Since the Khmer Rouge is by far the strongest of the opposition groups, how can you avoid it?

I understand it is our policy to isolate Vietnam economically and politically, but some of our ASEAN allies don't agree entirely with that and feel that we could relax that policy considerably because

the more we in the West isolate them or get others to isolate Vietnam, the more they have to depend on the Soviet Union and the more they will become a spokesman and mouthpiece for the Soviet Union.

So there are some differences between some members of the ASEAN nations and the present administration policies. I would welcome your comments on these issues and your assessment of their significance as regards our relations with ASEAN, with China, and the resolution of the Kampuchean and Vietnam problems.

PROPOSED SALE OF ARMS TO CHINA

And I would like an update, too, on the proposed sale of arms to China and the corollary consideration of planes for defense purposes to Taiwan. I feel strongly that the administration should make a favorable decision on the sale to Taiwan, and our long-standing friends there should not suffer as a result of our expanding relations with China.

I'd like to tell you one other thing. I was in Laos, the first American Senator to have visited Laos in something like 5 years. It took some doing on the part of our representatives in Bangkok to get that visa for me. I met with the Deputy Foreign Minister for 2½, 3 hours. During that time I gave the Deputy Foreign Minister dossiers of some five Californians who are MIA's there, and he said there's not much they can do about it.

So I went on to say that we are aware that we dropped a large number of bombs over the Plain of Jars which remain unexploded there and every now and then are exploded by farmers inadvertently when they hit them with their plows or their hoes. And sometimes Laotian farmers are killed. And I told them that just as an act of humanitarian concern, since those bombs were never aimed at Laotian civilians and in fact we've never been at war with Laos, I would like to persuade the administration and the Foreign Relations Committee to fund a team to go over there and diffuse these unexploded bombs.

I spoke about this earnestly enough that he became convinced of my sincerity. Then he turned and gave these MIA dossiers to one of his assistants and said please send these out to the mayors of these various villages where these planes were shot down and see if you can do anything about it.

But this is the first cordial interchange we have had with Laos in all this time. I want to tell you about this because we are thinking about a foreign policy that includes everybody in addition to Israel and Saudi Arabia. I know of your interest in Southeast Asia and what a tense situation there is as a result of past events.

The CHAIRMAN. Senator Hayakawa, I presume it would be acceptable to you for the Secretary to prepare comments for the record on this?

Senator HAYAKAWA. Yes; I would be grateful for that.

The CHAIRMAN. Thank you very much.

Senator Dodd?

Senator DODD. Thank you, Mr. Chairman.

VISIT OF PRESIDENT DUARTE

Mr. Secretary, let us move from the Middle East to another part of the world. I would like to ask you about the visit of President Duarte, who is coming to the United States next week. Is it your information that in addition to whatever else the President may be doing on his visit here that there will be a request for additional military assistance?

If so, can you give us some indication of what sort of military assistance President Duarte will be seeking from this Government?

Secretary HAIG. Senator, first I don't want to preempt whatever request he may have in mind to make. I saw some press speculation on this and I have seen some reporting messages on it. I think one of the things that he mentioned and I believe he will be up here, so you will have an opportunity to explore this with him personally.

The CHAIRMAN. Mr. Secretary, would you please speak directly into the microphone? Senators and the audience are having trouble hearing you.

Secretary HAIG. That is a rare event, so I think I will pull it just a little closer to the counsel. [Laughter.]

You will have an opportunity to ask him directly, I think, because I know he intends to visit the Hill extensively to present his case to the American Congress. I do not anticipate any extraordinary requests. I think we have been dealing with such things as some additional helicopters, but not an additional presence in El Salvador.

Senator DODD. By that you mean U.S. military personnel? You don't anticipate any requests for more advisers?

Secretary HAIG. Yes; but rather an extension of the kinds of levels we have had and a projection into the future. You know that in relative terms no amount of money is insignificant these days, but in real live terms they have not been substantial. They have been on the order of magnitude of one-third of the economic assistance we have been providing. And I would anticipate we would keep that same ratio in the period ahead.

Senator DODD. Let me move to another area and quickly touch on a number of subjects.

You may recall the last time you were before the committee I asked you about the status of Dr. Lefever. He had been hired as a consultant by the Department of State.

Mr. Chairman, you and Senator Pell were very kind to submit a letter to the Secretary requesting information on the status of Dr. Lefever at the Department of State. I'd like to make a part of this record the response to your letter.

[The letter referred to above follows:]

DEPARTMENT OF STATE,
Washington, D.C., August 14, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your letter of July 15 to Secretary Haig inquiring about Dr. Ernest Lefever's status with the Department of State and the Administration's intentions with respect to the position of Assistant Secretary for Human Rights and Humanitarian Affairs. Specifically, we are providing the following responses to your questions:

Question 1. What is Dr. Lefever's exact relationship to the Department of State and what are the terms of this relationship? Could you cite which legal authority you plan to use in order to hire Dr. Lefever? Does Dr. Lefever have a formal contract with the Department? If so, we would appreciate your providing a copy of it to the Committee, along with any other documentation which the Department deems relevant.

Answer. Dr. Lefever has been appointed as a consultant to the Office of the Secretary of State. The appointment is effective for one year beginning on June 29, 1981. The grade and salary of the appointment are EF-15 (10) p.a. \$50,112.50. Dr. Lefever will be paid on a daily basis, when actually employed, under the consulting arrangement. Dr. Lefever's appointment forms estimate that he will work approximately 45 days during the consulting year, although it should be noted that a consultant may work up to a maximum of 130 days during the consulting year. The legal authority to appoint experts and consultants is contained in 5 USC, Section 3109, and the current appropriations legislation, as implemented in State Department regulations at 3 FAM 1514. Attached for your information is a copy of the position description on Dr. Lefever.

Question 2. What are Dr. Lefever's specific assignments, duties and title? To whom does Dr. Lefever report and how often? Will any of Dr. Lefever's work product be available to the Committee and to the public?

Answer. Dr. Lefever does not have a title, other than the generic title as a consultant to the Office of the Secretary. His duties are set forth in his position description. Dr. Lefever has not yet been asked to perform any specific assignments on behalf of the Department. However, it is contemplated that he will be asked to consider ways in which counter-terrorism programs might be improved internationally. Dr. Lefever performs assignments at the request of the Secretary of State, but for administrative purposes he reports to the Under Secretary for Management. His work product will be available to the Committee, as desired, in accordance with the rules governing the provisions of documents to the Committee and with due regard to the protection of classified material. Unclassified material may be made available to the public in accordance with the Freedom of Information Act.

Question 3. What other positions, if any, does Dr. Lefever hold either in or out of government? Are there any restrictions in this regard?

Answer. We know of no other positions within the government which are held by Dr. Lefever. Outside the government, Dr. Lefever is the President of the Ethics and Public Policy Center as well as a professorial lecturer in the Department of Government at Georgetown University. All special government employees, including Dr. Lefever, are under certain restraints regarding matters on which they may work within the Department or which are pending before the Department. In brief, these restrictions are that special government employees may not participate in any matters where there are potential or even possible apparent conflicts with their own financial interests or those of family members.

Question 4. Does the Administration intend to fill the position of Assistant Secretary for Human Rights and Humanitarian Affairs? If so, when would you expect a decision on a nominee? If not, could you inform the Committee of the Administration's reasons for deciding not to fill this post?

Answer. The manner of organization within the Department of State for the conduct of human rights and humanitarian affairs activities is under study. The study has as its purpose to determine how these functions within the Department can be performed most effectively. The Committee may be assured that the full requirements of the law regarding the conduct of human rights activities will be met.

Question 5. If the Administration does not intend to fill this position, will it seek legislation to abolish the post? Would the Administration oppose a Congressional initiative to abolish it?

Answer. Until the aforementioned review is completed the question of whether legislation will be sought to abolish the post is moot. Similarly, until the review is completed, we would not be prepared to comment on any Congressional initiative to abolish the position of Assistant Secretary for Human Rights and Humanitarian Affairs.

Thank you very much for your interest.

Sincerely,

RICHARD FAIRBANKS,

Assistant Secretary for Congressional Relations.

Attachment: Position Description on Dr. Lefever.

CONSULTANT TO THE SECRETARY

Duties

To advise the Secretary of State on terrorism, counterterrorism and nuclear non-proliferation matters, and on the cohesiveness of State Department policy in these areas.

Additionally, incumbent will advise the Secretary on such other matters relating to the conduct of foreign affairs as the Secretary may request, and will assist on whatever special projects the Secretary may direct.

ASSISTANT SECRETARY OF STATE FOR HUMAN RIGHTS

Senator DODD. Mr. Secretary, are we going to have an Assistant Secretary of State for Human Rights? In addition to the response in the letter, the indication was that this was under study. I would like to know whether or not we are beyond the study stage, and if the administration has any intentions of appointing someone to that position. If so, when would you expect such an appointment to be forthcoming?

Secretary HAIG. Senator, I anticipate there will be a position which has that broad set of responsibilities and that it will be an appointment. We have been going through some organizational assessments as to whether or not we can perform that function more effectively and more efficiently within the Department. We haven't concluded the studies yet, though they are just about complete. I anticipate we will have some reorganization that will accompany the appointment of a new official with those responsibilities.

Senator DODD. Mr. Chairman I would like to request that that study be shared with the committee before any decisions are made.

Secretary HAIG. We would be happy to do that, but I don't think the committee would want to tell us, any more than you would want us to tell you, how to organize your staff. I don't believe the committee would want to cast a veto over our structuring internally in the Department. I don't mean by that that we are not happy to give you the benefit of our thinking.

Senator DODD. Well, except for the fact that the Congress was involved in the establishment of that position in the first place. If it is going to be eliminated I would think the Congress would be interested in what will replace it.

Secretary HAIG. I don't anticipate that. I thought that was the thrust of my answer.

Senator DODD. So you will share that study with us?

Secretary HAIG. I will be happy to be sure that you have the benefit of the directions in which we are moving.

Senator DODD. We're not going to get the study, Mr. Chairman. [Laughter.]

The CHAIRMAN. Do I understand that there will not be a statutory change in that position under the Reagan administration?

I would ask that the Secretary's response be taken out of my time.

Secretary HAIG. Mr. Chairman, I would prefer to wait until we have completed our study. It does not involve elimination of the function which the Senator has asked about. It may involve some realignment of functions within the Department.

I must tell Senator Dodd that we have been going through a certain degree of anguish within the Department on the problem of

austerity, in trying to streamline the reduced budget levels imposed on us within the executive branch, and this is not an inconsequential aspect of that.

Senator DODD. Mr. Chairman, is my time over?

The CHAIRMAN. Why do you not take a minute out of my time for your followup question.

Senator DODD. Thank you. I do not think I need to tell you how serious the economic situation is in Costa Rica, especially given the general nature of the problems in Central America. The other day Congressman Long of Maryland added some \$20 million in economic assistance to Costa Rica.

SUPPORT INCREASED ECONOMIC ASSISTANCE TO COSTA RICA

We have \$2.5 million in our bill here. I am considering offering a floor amendment to increase economic assistance to Costa Rica. I would like to get views, if I could, on whether or not the administration would be willing to support an increased economic assistance program to Costa Rica.

Secretary HAIG. Senator, that is a difficult question to answer clearly, when the figures we have proposed have been the product of long, lengthy, and tedious soul-searching and tradeoffs of various competing needs, for a less than satisfactory overall revenue base to deal from.

Some of the actions up here are yet undetermined. Congressional approvals of given levels make it even more difficult for me to endorse the proposal, desirable as it is.

Senator DODD. I will just pose the question and see if we cannot get an answer back and discuss it before the bill comes up on the floor next week.

Secretary HAIG. I would be happy to do that. I think we are both seeking the same outcome.

Senator DODD. Thank you.

[The material referred to follows:]

ECONOMIC ASSISTANCE TO COSTA RICA

[SUBMITTED BY THE DEPARTMENT OF STATE]

The Administration shares Congress concern for Costa Rica's economic problems, as well as the escalating economic problems facing other Central American and Caribbean countries. We are currently looking at ways in which we can increase assistance to key countries in the region whose economic situations have deteriorated rapidly and which will require more assistance than we had anticipated.

Costa Rica, the Dominican Republic and Honduras are facing large balance of payments deficits over the next several years. All three governments have undertaken economic reform programs, including sharp cut-backs in government spending. Until these austerity programs have had their full effect on the balance of payments, economic assistance from the United States, as well as from other donors, will be needed to help close their large, external financing gaps. To this end we will be consulting with you on the steps we will be taking to help these key countries.

We believe that by examining an economic strategy for the region as a whole we will best be able to maximize use of scarce resources and carefully balance competing needs. We therefore would not favor amendments which would provide economic assistance to only one country.

The CHAIRMAN. Thank you.

Senator Mathias?

Senator MATHIAS. Thank you, Mr. Chairman.

Mr. Secretary, let us come back to the Middle East.

Senator DODD. I tried. [Laughter.]

Senator MATHIAS. In your statement you said we must not let our friends' worries about one another diminish our commitment to their security or hinder our plans to extend strategic cooperation with them. To that I can only say amen. But saying it and doing it, of course, are two different things.

We talk about a strategic consensus. But unfortunately there is not even a basic consensus in the area on what the map ought to look like, which is a rather basic element of strategy. The antagonisms as a result of this are so bitter that even their pale reflections tear us apart when we have to debate the subject. That was our experience a few years ago when we considered the plane package for Egypt and Israel and Saudi Arabia. It is very likely to be our experience here in the next 30 days as we consider the AWACS proposal.

BASIC ELEMENT OF STRATEGY

One of the problems is now to achieve some progress on the question of what the map should look like, that basic element of strategy. You said that you had several hours of conversation with Prime Minister Begin on the subject of the West Bank settlements, one of the great sticking points for Saudi Arabia as well as for Israel in obtaining any real consensus in the area. Can you share with us any of the concrete results of that conversation?

Secretary HAIG. I think it would be a serious abrogation of the confidentiality of those discussions were I to be too definitive, Senator. I do not want to suggest that the whole period of our discussion on autonomy focused in the settlement issue. We went beyond that to the entire structure of the autonomy effort.

Senator MATHIAS. As well it should have. I would certainly applaud that.

Secretary HAIG. And I will merely leave you with the public disclosure that I found the discussions to be very, very beneficial and in many respects encouraging. As you know, in the past the Israeli position on autonomy discussions, including West Bank issues, has been to seek very detailed, minute agreements as preconditions to autonomy in the West Bank and Gaza.

On the Egyptian side, on the other hand, President Sadat's negotiators have sought agreement on some broader principles and left the more detailed and esoteric aspects of internal government to the council and regime that is to be established later.

I find that the two parties have moved much more closely together on this very important point of departure. With respect to the settlement issue, of course we always have expressed our concern that additional settlements pose a serious complication to the peace process and to the autonomy talks themselves. That was reiterated and there was some exchange with respect to it. We still have many talks to hold on that subject.

STRATEGIC CONSENSUS

Senator MATHIAS. I hope you will pursue them. It seems to me it should be very difficult to achieve a strategic consensus until that issue is successfully resolved.

Secretary HAIG. Let me add another word, Senator, because there were some remarks made by Senator Biden on the question of strategic consensus and the preoccupation of the Arab regimes with the Israelis. I have had the benefit, Senator, of now conducting a very extensive list of discussions with most of the leaders in that region, with Egyptians, Saudis, and others. I want to assure you that what is said publicly is not what is said privately, and that there is indeed a very strong sense of concern about the Soviet threat and the proxy threat. I just did not want to let that impression to go unchallenged.

Senator MATHIAS. Speaking of what is said privately, and again referring to your statement, I believe I heard you say, in connection with the AWACS sale, that either you had received or you anticipated that you would receive assurances—I repeat, “assurances.” Is that correct?

Secretary HAIG. Yes.

Senator MATHIAS. I must tell you that that gives me some concern, because it's the assurances that we received in connection with the plane package, the sale to Egypt, Israel, and Saudi Arabia, that are giving me some trouble with the proposal for the AWACS deal now. That deal reverses some of the assurances we were given about ongoing requests for further equipment for the F-15's.

As we enter this period of debate on the AWACS transaction, I would like for you, I hope, to clarify exactly what the status of those assurances are and give us some reason to believe that they are going to be of more comfort to us than the last set of assurances.

Secretary HAIG. Senator, let me be sure that I do not let those witnessing this exchange get the impression that this is a one-way street of abrogated assurances rendered by the Government of Saudi Arabia. These concerns were arrived at jointly, and by two administrations.

Senator MATHIAS. Oh, absolutely. I think they were assurances or agreements that were arrived at really separately by the executive and the legislative branches in this country.

Secretary HAIG. Exactly.

Senator MATHIAS. And by three other sovereign nations.

Now, apparently some parties to what was a closely bound package at that time are now ready to unbind the package.

Secretary HAIG. Oh, no, but I did not want to put the onus for that on Saudi Arabia. I place that right here in the United States, and it started with the previous administration, which was prepared to move with the package we are now discussing.

Senator MATHIAS. So do I.

Secretary HAIG. That is important. I want to emphasize again the character that I disclosed here of the transfer arrangements. I think they are very, very important. I hope that everyone is thinking about them in the context of the very serious intervention that you made, Senator, and there are other concerns that we have heard repeatedly as we have attempted preliminary consultations.

First, there is the very clear limitation on transfer of the equipment and data to any third party.

The United States will have access to data generated by this system. I hope we think about that very, very carefully in the context of our obligations in the Middle East at large.

Third, physical security of the equipment and of the technology, are essential arrangements there.

And finally, and not inconsequentially, the area of operation of the equipment provided.

I want to just go back again if I can, Senator Glenn, because I think your intervention was extremely important, extremely tightly reasoned and very artfully crafted. We are talking about a system which would deal with the threats of the kind I talked about, not a massive Soviet threat. We have warning on that subject which would give us the ability to upgrade the system in timely fashion.

When we are talking about the hours of warning that you so correctly referred to, we are talking about threats from parties that do not have the capabilities to bring about the consequences which your intervention suggested. I think that is important.

Senator GLENN. But I do not think you can guarantee that, Mr. Secretary. They can get that capability to jam.

Secretary HAIG. Of course. This is a dynamic process. We are not even talking about delivering these systems for another 5 years.

Senator GLENN. You are talking about taking a risk on a bigger subject than I want to take a risk on. I want the most secure AWACS over there possible, usable for us too when the flag goes up, even if there are only 7 minutes coming across from Iran. Nothing says Iran cannot go out and get a jammer, unless we have all those secure up and down links.

Secretary HAIG. I think that is something we have to continually assess.

The CHAIRMAN. We will have full-scale hearings on the security aspect of it. Additionally, the Armed Services Committee will be having the Secretary testify on this subject.

Secretary HAIG. I apologize for bringing this up again, Mr. Chairman, but I have such respect for Senator Glenn's views that I do not lightly let them go without attempting to answer his concerns.

The CHAIRMAN. We all share that. Thank you.

Senator Boschwitz?

Senator BOSCHWITZ. I would be happy to yield a couple of additional minutes to Senator Glenn if he wishes to pursue that with the Secretary.

Senator GLENN. Thank you very much, but that's all right. Please proceed.

Senator BOSCHWITZ. Mr. Secretary, you have said that privately the statements of participants in the Middle East show a very strong sense of the Soviet threat. I think those were your direct words. I share that sense. I might say that I certainly share the concerns expressed by Senator Glenn, and if such a joint arrangement could be worked out, I would join with Senator Glenn in seeking to get that through the Senate.

Senator GLENN. Now there is a combination. Glenn and Boschwitz will get it through for you in 10 minutes on the Senate floor.

Secretary HAIG. Well, let me suggest that we have gone a very long way in getting to that point, and I hope that you will be reassured when secure consultations occur.

SECRET TRANSFER ARRANGEMENTS

Senator BOSCHWITZ. Mr. Secretary, I have not heard about the secret transfer arrangements about which you have spoken. I share the concern of my colleague from Maryland, Senator Mathias, that perhaps that will be the next litmus test in that case. In 1978, they were not even secret arrangements. They were very public, very precise, and were directed at the package that is now being considered.

And yet they seemingly do not have any impact any more. I am concerned, as Senator Glenn is concerned, about a complete transfer. I am concerned, as Senator Biden stated, that such a transfer would much more likely involve the Saudis in a conflict should a conflict arise in the Middle East.

I do not like to oppose my President in these matters, and tried very hard to get some type of arrangement in the arena that Senator Glenn and others have been talking about so that there would be a way of doing it in a manner that would answer the very strong sense of the Soviet threat in the Middle East.

If the Saudis have that strong sense of Soviet threat and that Soviet threat is, in a way, expressed through that new regional entente of which you spoke, Libya, Yemen, and Ethiopia, one would think that they would begin to have an entente not just of the Gulf States with Saudia Arabia, which could be expected, but an entente between Pakistan and Egypt, which Saudia Arabia is not quite as vehement about as it used to be, and probably would include Turkey, and hopefully one day Israel. That would be a real entente.

What kind of progress has been made there? If the Saudis are really so worried, what kind of progress have they undertaken to make toward a reasonable entente to counter the one that is being formed in the Middle East?

Secretary HAIG. First, Senator, I think this is a very important question. It is one of greater historic significance perhaps than it is of contemporary significance. I know that as recently as 5 years ago no one ever would have conceived of the kind of cooperation that now exists between Israel and Egypt. No one ever would have conceived of such a possibility. Yet it has happened.

I can assure you that a fundamental aspect of President Reagan's foreign policy is to broaden that cooperation, not only in the context of historic Arab-Israeli rivalries, but in the important context of the common threat faced by all. That is going to involve an evolutionary process of confidence-building, balance in American policies in the region, sensitivity to the concerns of all the parties and the traditional fears with which they have been racked over centuries. But I would not put it in the category of the undoable, not at all. I do think that in a contemporary sense there is a great deal of time and confidence-building that has to precede such a consensus.

Senator BOSCHWITZ. I agree with that. Sometimes time in these very electric type of areas is not a convenience that one has.

Building confidence sometimes is a slow process. It is not undoable, as you say. But nevertheless, that is why I feel so strongly, as Senator Glenn does, that the immediacy of our position in the area is also most important.

STABILITY OF THE AREA

I have not seen much movement, to be quite frank. Yes, the Saudis have been involved in the ceasefire in Lebanon and that is a very good thing indeed. That is the first small movement of any type that we might have seen. What other movement have we seen that an entente is going to develop? The entente developed very quickly between Libya, Yemen, and Ethiopia, and I suppose Syria to some degree. What kind of feeling—can we go from this thing with Pakistan, Saudi Arabia, Egypt, Turkey, and hopefully one day Israel? But what is happening now that would lend to the stability of the area?

Secretary HAIG. Let me tell you that I think we made some substantial progress in the brief period of 9 months, substantial progress. We have worked out an acceptable arrangement with Pakistan. That arrangement was assisted and is being fleshed out in coordination with Saudi Arabia as well. I want you to know that.

Senator BOSCHWITZ. We with the Saudis, or we with the Pakistanis, or the Pakistanis with the Saudis?

Secretary HAIG. All three.

Senator BOSCHWITZ. Indirectly?

Secretary HAIG. No, directly. The Saudis have been in constant contact with Pakistan. We have been in contact with both. We keep Saudi Arabia fully informed about what we are doing with Pakistan. Saudi Arabia is assisting Pakistan and I hope will continue to do so, just as we intend to, I hope with the support of this body.

That is an important aspect of the eastern leg of a consensus arrangement. Saudi Arabia has been helping other nations in the northern African area, which meets our fundamental objectives and interests, just as we are trying to help.

It would be wrong and specious to suggest that we have not made progress. We have made substantial progress. It is precisely this issue that puts that progress in jeopardy, and I think it is important that we recognize it.

Your comments, as well as Senator Mathias', could be misinterpreted by a listener if we did not set the record straight. We are not dealing with an abrogation of assurances by Saudi Arabia. We are talking about a modification of assurances given by the Carter administration at the time of the original sale of F-15's, which that administration felt had to be changed in the light of the unpredictable events with which they were faced, the fall of the Shah and all the incidents that I mentioned.

They had concluded that an aerial surveillance package for Saudi Arabia was the right thing to do. Now we were not dominated by that conclusion on their part. We conducted our own analysis, and the conclusions happened to coincide.

Senator BIDEN. It is an abrogation, though.

Senator BOSCHWITZ. Sure it is.

Senator MATHIAS. If Senator Boschwitz would yield for a moment. Mr. Secretary, the point I was trying to make is that those assurances were not only given by the Carter administration, but they were assurances which were given also as a result of a contract with Congress. Congress independently had a role to play, and of course that is the question really that is before us now: Is the Congress going to agree to relax those restrictions?

Secretary HAIG. I agree with that aspect of it. My problem was, as Senator Boschwitz described and reiterated it, that is seemed to suggest to the uneducated ear that it was Saudi Arabia that abrogated these assurances. I would not want that—

Senator BOSCHWITZ. I presume that Secretary Brown did not make those assurances without also getting an understanding from the Saudis. The Saudis did not understand that these other aspects of the plane would not be available to them? The Saudis in buying the planes did not understand that?

Secretary HAIG. No; that is not the issue. The issue is that, of course, there was coordination between Secretary Brown and the Carter administration and the Saudi leadership on this thing. They jointly considered a threat environment, which dramatically changed in the intervening period. We should not infer from that that it shows unreliability on the part of the Saudi Government on this issue. I just do not want anyone listening to get that impression.

Senator BOSCHWITZ. It just shows that an arrangement that we are going to make, some secret transfer arrangements, may become the subject of the next litmus test.

Secretary HAIG. Yes.

The CHAIRMAN. Thank you very much, Senator Boschwitz.

Our final questioner in this round is Senator Pressler.

Senator GLENN. Mr. Chairman, might I ask, before the Senator begins, when the Secretary leaves will there be other people from the State Department here to continue this?

The CHAIRMAN. Secretary Buckley has left, I see.

Senator GLENN. I do not blame him. [Laughter.]

The CHAIRMAN. The Secretary will be back in a little while.

Secretary HAIG. Under Secretary Buckley is now testifying before the House on security assistance.

The CHAIRMAN. I think we will terminate this session in 5 minutes, at the completion of Senator Pressler's time. We look forward to your being back here in a week or 10 days, Mr. Secretary.

Secretary HAIG. Thank you, Mr. Chairman.

The CHAIRMAN. Senator Pressler.

Senator PRESSLER. Mr. Secretary, I am one of those who has been opposed to the sale of the AWACS. But I understand that there may be some new development or some new disclosure, such as perhaps leasing it to the Saudis; that there would be some change that would be forthcoming. Is that correct, or are you pretty much committed to going with the plan even if it becomes apparent there are not enough votes in the Senate?

WILL PACKAGE BE ALTERED TO GET MORE VOTES?

Or let me say, if it becomes apparent to you, as perhaps it has, that there are not enough votes in the Senate, will the package be altered to get more votes, to make it more agreeable for passage?

Secretary HAIG. As I said, Senator, before you came, as I have been stating from the outset of this debate and this discussion, we were working out transfer arrangements which I thought would be adequate assurance for those who had concerns about this arrangement, this sale. And we are now starting a process where we have three teams from the executive branch which will be visiting you and others to reveal in detail what these transfer arrangements are. In the meantime, I have summarized the character of those arrangements on two occasions in this session.

Senator PRESSLER. Yes. But the point I am making is, are there things that will be revealed to us that have not been? And I have gone through one of the briefings. If it becomes apparent to you that there are not enough votes in the Senate or the House to approve the package, do you expect to alter the arrangements, or will you just take the loss, so to speak?

Secretary HAIG. That is not a bridge we anticipate we will have to cross. We feel that the bipartisan desirability of this proposal is overwhelmingly in favor of proceeding, and we anticipate and hope that we will have the cooperation of the U.S. Senate in that process.

I hate even to have a matter of such gravity assume any frivolous overtones. We could be talking about an issue that involves war and peace, and I say that with all the sincerity that I can muster before this august body. I hope that all of us recognize that and give the President and those of us who are dealing with this matter some credit for having explored in the greatest detail not only your serious reservations, but the alternatives facing us.

Senator PRESSLER. In regard to Jordan, I have been concerned that perhaps Jordan is a moderate Arab State—I recently made a visit to Jordan and found that most of Jordan's troops are up on the Syrian border. They are not worried about Israel so much as they are worried about other Arabs. At least that was my assessment.

OUR AID ACTIVITY IN JORDAN

The PLO really seems to be more of a threat to them than anyone else. Yet the Jordanians seem to feel that since they do not have any oil—from their point of view, I am sure that is not the only reason—they are very much neglected. We have been talking about Saudi Arabia but Jordan also struck me as a very moderate Arab State, which perhaps is in a position that is more favorable to ours than are many other countries in that area.

Are you satisfied that we are doing enough in Jordan in terms of our aid activity and just in general?

Secretary HAIG. Well, one of the first acts of this administration, Senator, was to proceed rapidly with some military assistance support for Jordan that had been held up for an extended period in the wake of the controversy over Camp David.

No; I am not satisfied that we are doing enough for our Jordanian friends. I think it is vitally important that we recognize the

tensions between Jordan and Syria, which arose 2 years ago and which continue. And it is vitally important that our historic friend, Jordan, be the beneficiary of a continuing level of U.S. assistance within the existing arrangement.

Senator, again, these are some of the problems we are going to have to face in the immediate future.

OUR EUROPEAN ALLIES

Senator PRESSLER. Let me switch to Europe. Last January I asked you about how our European allies were doing in terms of their support for our mutual military and defense efforts. Are you satisfied that our European allies' efforts since that time, in the last 8 months, as the trends and the budgetary decisions have been made, have been satisfactory to you? Have you expressed an opinion on this to our allies?

Secretary HAIG. Well, as I believe I said, the last time I was here, the overall trends of the European track record with a number of less than happy exceptions, has been better than the U.S. trends over a 10-year period. Today our European partners, like ourselves, are racked with grievous economic problems.

I would merely reiterate that I would like to see both of us do more in the basic area of NATO security. I am very pleased that the President's decision in this area, despite some retrenchment, has been to keep the main thrust of the improvement in our defense posture intact.

Senator PRESSLER. Again, do you foresee our supplying large-scale supplies of grain and food to Poland in excess of what we are doing now if the productivity situation continues to deteriorate there?

Secretary HAIG. I do not preclude that, but that is the least efficient way to bring emergency foodstuffs to Poland, especially bulk items like grain. We jointly have an obligation, the East and West, to provide for the humanitarian needs of the Polish people. This requires an assessment of a number of interrelated factors. What the Polish economy is doing for itself to correct the decline in productivity, the breakdown in transport and distribution, what the Soviet Union is doing to help the situation, and what our other European partners are willing to join with us in doing.

The CHAIRMAN. Thank you, Senator Pressler.

The record will be kept open until the end of business today so that we can submit written questions to you.

Mr. Secretary, we thank you very much for your appearance here today. There are written questions from Senator Pell and me for you which we would hope you would respond to for the record.

Senator PELL. Mr. Chairman, also on behalf of Senator Zorinsky I have two questions for the Secretary.

The CHAIRMAN. Very well. Two questions from Senator Zorinsky also will be submitted.

This hearing is adjourned.

[Additional questions and answers follow:]

ADMINISTRATION'S RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR ZORINSKY

Question 1. During the confirmation hearing for Ambassador Chapin, our Ambassador in Guatemala, I requested to see the cable traffic from our Embassy in Guatemala which reportedly concerns the complicity of the Guatemalan president and other high government officials in the activity of the death squads. I subsequently followed up this request in writing to Ambassador Chapin on July 20. To date I have received no reply. Could you provide me with the cable traffic by the beginning of next week? Is there some information regarding these charges which you could share with the Committee today?

Answer. Assistant Secretary Fairbanks wrote a letter to Senator Zorinsky on September 18th offering a classified briefing about this subject for him and/or his staff on the Senate Foreign Relations Committee.

Question 2. Mr. Secretary, for months I have been trying to get from AID a full accounting for the aid funds expended in Nicaragua pursuant to the Special Central American Assistance Act of 1979. As part of that accounting, I specifically requested a complete list of the purchases of goods by Nicaragua. Repeatedly, I have been promised the information, but so far it has always been incomplete, with AID unable to account for millions of dollars. This problem has spanned two administrations now. I realize that there is often a lag time in the disbursement of funds, and I am also aware that the program was terminated prior to the expenditure of all funds. Despite all that, I would appreciate seeing an accounting for the entire \$75 million provided by the Congress. If we have spent the money, I would like to know where. If we have not spent it, that fact can be noted. Would you direct the Department to provide me with a full accounting? How soon would you anticipate that the information could be provided?

Answer. The Special Central American Assistance Act of 1979 authorized a total of \$80 million of supplemental ESF assistance for Central America. Of this amount, \$20 million was obligated and expended for private sector support in El Salvador. The remaining \$60 million was obligated for Nicaragua, of which \$45 million has been disbursed and the remaining \$15 million has been suspended. Of the suspended funds, \$7 million has been reprogrammed for the Sinai peace-keeping operations and \$8 million remains undisbursed. In addition to the \$60 million of ESF, a \$15 million Development Assistance loan to Nicaragua was signed in June, 1980, incorporating the provisions of the Special Central American Assistance Act.

The AID mission to Nicaragua recently transmitted through the APO material which provides a full accounting of all AID funds expended in Nicaragua pursuant to the Special Central American Assistance Act of 1979. This information will update the interim listing of expenditures which was provided Senator Zorinsky's office in February. We will have this material delivered to Senator Zorinsky's office as soon as it arrives in Washington, which should be within the next week to ten days. We regret the delay in responding to this request, but the mission has spent considerable time compiling the information. Senator Zorinsky's office has been informed of the status of the response to his request.

ADMINISTRATION'S RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED BY SENATOR HAYAKAWA

Question 1. While ASEAN agrees with the United States that Vietnam must withdraw its forces and puppet regime from Kampuchea, they are most reluctant to follow any policy which would allow the hated Khmer Rouge (Democratic Kampuchea) to regain power. Since the Khmer Rouge is by far the strongest of the opposition groups, how can this be avoided? I understand it is your policy to isolate Vietnam economically and politically, so as to force it to withdraw from Kampuchea. While I can see the logic of this approach, some ASEAN leaders appear to favor a more conciliatory policy toward Vietnam. Their argument is that isolation only makes Vietnam more dependent on the Soviet Union, and they cite evidence that Vietnam is not all that happy with its Russian embrace. In sum, there would seem to be important differences between some members of ASEAN and current administration policy. I would welcome your comments on these issues, and your assessment of their significance as regards our relations with ASEAN, and China, and the resolution of the Kampuchean and Vietnam problems.

Answer. The first principle of U.S. policy on the Kampuchean problem is to support the strategy adopted by ASEAN. There is a consensus of view between ourselves and the ASEAN countries on the basic goal of obtaining Vietnamese troop withdrawal and establishment of a government acceptable to the people of Kampuchea which does not threaten any of its neighbors. While there are some differing

perspectives among the countries involved on how best to achieve these goals, both U.S. and ASEAN leaders have always made it clear that they oppose return to power of the Khmer Rouge. The declaration of the U.N. Conference on Kampuchea, held in New York in July, outlined a political settlement which would, if implemented, effectively prevent the Khmer Rouge from regaining power. That declaration, which we fully support, calls for negotiations to provide for a settlement which would include appropriate measures to ensure that armed Kampuchean factions would be unable to prevent, disrupt, intimidate or coerce the holding or outcome of free elections. It is the conviction of ASEAN as well as the United States that the Khmer Rouge could never return to power through genuine free elections.

Because of their concern about the need for the Kampuchean people to have another option besides the Khmer Rouge and the Vietnamese puppets, the ASEAN countries have focused on the importance of strengthening the non-Communist Khmer resistance forces of Son Sann and Prince Sihanouk. We are fully sympathetic with this ASEAN objective and have given the non-Communist Khmer groups diplomatic support and humanitarian assistance.

The consensus of ASEAN leaders clearly is to maintain economic and diplomatic pressure on Vietnam to persuade Hanoi that it should negotiate a political settlement in Kampuchea. ASEAN unity has been demonstrated repeatedly at the U.N., at the International Conference on Kampuchea, and in direct diplomatic exchanges with Vietnam. We have supported the strategy and the ASEANs have expressed their appreciation for our assistance in working for the broad suspension of Western bilateral and multilateral aid to Hanoi. We see no fundamental differences between ourselves and ASEAN over this question.

In pursuit of their own political ambitions in Kampuchea, the Vietnamese have chosen to increase their dependence on the Soviet Union. No one forced them into this colonialist course. As it was preparing its invasion of Kampuchea, Hanoi joined COMECON and signed a Treaty of Friendship with Moscow with clear military implications. The international community, led by ASEAN, has offered Vietnam an honorable way to reverse its disastrous policies in a way which would not jeopardize any of Vietnam's legitimate interests and would pave the way for stability and prosperity throughout Southeast Asia. Hanoi knows that it has this choice. The ASEANs, EEC, Japan and ourselves have made it clear to Hanoi that a political settlement in Kampuchea would make possible normalization of relations with the West and the resumption of suspended foreign assistance, thereby reducing Hanoi's overdependence on Moscow.

We have cooperated effectively with Beijing on many aspects of the Kampuchea issue. Our dialogue with China on this issue is always with the objective of support for the ASEAN countries, which have the lead in dealing with the Kampuchea problem. Like ourselves and the ASEAN states, China is disturbed by Vietnam's overdependence on the Soviet Union and Hanoi's bartering Soviet access to Vietnamese military facilities in exchange for Soviet aid. China's perspective obviously is influenced by unique factors in the recent history of relations between Beijing and the three countries of Indochina. With our encouragement, Beijing has continually modified its Kampuchea policy to bring it in line with evolutions to ASEAN's thinking on the issue.

Question 2. What is the status of the sale of fighter aircraft to Taiwan?

Answer. The status remains the same. We continue to have the question under review. It is our policy to provide defensive weapons to Taiwan, based on our assessment of the military situation in the area. Each weapons request, including aircraft, requires thorough study before a decision can be made.

Question 3. What is the current status of arms sales to China?

Answer. In the context of the decision to permit the sale of Munitions List arms and technology items to China on a case-by-case basis, we invited the Chinese to send a delegation headed by PLA Deputy Chief of Staff Liu Huaqing to discuss possible Chinese arms purchases. The Chinese have requested a postponement from the September dates originally suggested. At this point, there is agreement in principle for a visit, but no dates have been agreed and it is up to the Chinese to suggest a time. Separate from the visit the Chinese are clearly still interested in arms sales and the appetites of U.S. companies have of course been whetted. However, to date we have sold China only one munitions list item, a Cessna aircraft.

[Whereupon, at 11:19 a.m., the committee adjourned, subject to call of the Chair.]